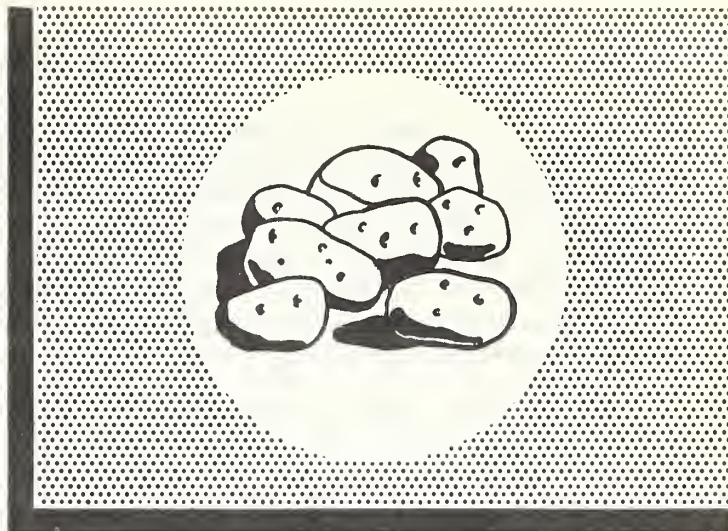


Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

Reserve
1281.3919
734



SPRING POTATOES

U. S. DEPT. OF AGRICULTURE
NATIONAL AGRICULTURAL LIBRARY

JAN 12 1968

CURRENT SERIAL RECORDS

1968 ACREAGE-MARKETING GUIDES



U.S. DEPARTMENT OF AGRICULTURE • CONSUMER AND MARKETING SERVICE

November 1967 AMG 59

PREFACE

The U.S. market requirement for food potatoes is increasing but at a relatively slow rate. Typically, the annual rate of growth is 3 percent or less. However, there is no assurance that total potato use will continue to increase--it could stabilize or show a temporary decline. Nevertheless, potato growers, as a group, sometimes boost production substantially. In 1965, for example, the total crop production was up 21 percent compared with 1964. When potato crops are extremely large, potato prices drop to low levels, and growers' income is reduced.

The acreage-marketing guides for potatoes are recommendations to help potato growers match production with market requirements. The guide recommendations, by seasons and for each producing area, are the estimates of acreage required which, with average yields, will produce a crop of the right volume so that growers will receive the best return for their crop.

CONTENTS

	<u>Page</u>
Demand for potatoes in the spring of 1968.....	3
1968 recommendations.....	3
Guides for individual spring States.....	4
Selected data for principal spring States.....	5
Spring potato highlights.....	6
Data for total spring crop.....	8
F.o.b. prices.....	9
Unloads of spring potatoes.....	10
Summaries for principal spring potato States:	
California.....	12
Arizona.....	12
Florida.....	14
North Carolina.....	15
Alabama.....	16
Texas.....	17
U.S. potato trends.....	18
Potato utilization.....	27

1968 ACREAGE-MARKETING GUIDES SPRING POTATOES

The basic objective of the acreage-marketing guides program is to assist growers in their acreage planning so that the resulting production will be in balance with market requirements. The performance of every potato producer has an influence on the ultimate market situation for his commodity. Therefore, to improve prospects for a successful season, each grower should adjust his own acreage in accord with the individual State guide. For example, when it is recommended that the State's 1968 acreage of spring potatoes be decreased by 3 percent from the acreage planted in 1967, each grower of spring potatoes in the State should decrease his plantings by 3 percent.

I. DEMAND FOR POTATOES IN THE SPRING OF 1968

Economic growth slowed during early 1967, but has since picked up. The increase in growth is expected to continue, and the U.S. economy is expected to register a relatively large gain in 1968, with increases in both private and government sectors. The magnitude of the pick-up will be influenced importantly by possible increases in income taxes, developments in Vietnam, labor contract negotiations and the cost and availability of credit.

Despite the slower rise in production early this year, consumer disposable income during the first 9 months of 1967 averaged about 7 percent above a year earlier. Spending for food also continued to rise although the increase was less than the gain in income. Consumer buying power is expected to continue rising as expanding output raises employment, and wage rates increase further.

Demand for spring potatoes and other farm products is expected to be well maintained. Total use of fresh spring potatoes in 1968 likely will exceed 1967 when harvest was delayed and spring production was below average. However, spring crop growers can expect the carryover supply of fresh storage potatoes for marketing in the spring of 1968 to be at least as large as in 1967. In addition, holdings of frozen french fried potatoes in cold storages will be at a seasonal peak as will the inventory of dehydrated potatoes. Prices received for spring potatoes will be influenced by the total spring production and the indicated inventories of frozen and dehydrated potatoes. As is usual, however, timeliness of spring potato harvest also will exert an important influence on spring potato returns.

II. 1968 RECOMMENDATIONS

Although total potato utilization has increased significantly during the past decade (see utilization data, page 27), the increase has been centered on potatoes required for the manufacture of processed food products. The market for fresh table potatoes has declined, both on total tonnage and per capita bases. It is true that spring crop growers have a "share" of the potato chip market. By and large, however, spring crop growers, in selling their crop, depend largely on table market outlets where demand has been and is relatively static. Reflecting this market "fact", the guides for the 1968 spring potato crop are recommendations that growers not only "hold the line" on acreage, but, in several principal producing areas, to reduce plantings.

The acreage-marketing guide for 1968 suggests total spring potato plantings of 138,450 acres -- 2 percent less than in 1967. With average yields, the probable production from this acreage would be 27.6 million hundredweight. This compares with the 1967 output of 25.4 million hundredweight. For individual States, the 1968 guide ranges from the same acreages planted in 1967 to a 5 percent reduction from last year. Specific acreage-marketing guide recommendations for each spring producing State follow:

Table 1.--Potatoes, Spring Crop: Acreage-Marketing Guides recommended for 1968 with comparisons

Season and State	: : 1967 : planted : acreage	: : 1968 : acreage : guide	: Percentage : change from : 1967 : acreage	: : 1968 : marketing : guide
	<u>Acres</u>	<u>Acres</u>	<u>Percent</u>	<u>1,000 cwt.</u>
<u>Early Spring:</u>				
Florida, Hastings	31,000	29,525	Minus 5	3,956
Florida, Other	2,800	2,800	No change	291
Florida, Total	33,800	32,325	Minus 4	4,247
Texas	4,000	3,910	Minus 2	270
Total Early Spring	37,800	36,235	Minus 4	4,517
<u>Late Spring:</u>				
N. Carolina, 8 N.E.				
Counties	10,000	9,865	Minus 1	1,381
N. Carolina, Other				
Counties	2,300	2,300	No change	255
N. Carolina, Total	12,300	12,165	Minus 1	1,636
South Carolina	1,400	1,400	No change	134
Alabama	15,000	15,000	No change	1,905
Mississippi	3,000	2,925	Minus 2	234
Arkansas	2,300	2,300	No change	152
Louisiana	2,200	2,200	No change	119
Oklahoma	700	700	No change	41
Texas	6,500	6,270	Minus 4	602
Arizona	11,000	10,880	Minus 1	2,502
California	49,800	48,375	Minus 3	15,771
Total Late Spring	104,200	102,215	Minus 2	23,096
Total Spring	142,000	138,450	Minus 2	27,613

Selected data for the principal spring crop potato producing areas are shown on page 5.

Table 2.--Potatoes, Spring Crop: Selected data for selected States, 1962-67 crops

State and year	: Planted : acreage :	: Yield per : harvested : acre	: Produc- : tion :	: Quantity : sold :	: Average : price : received : by farmers	: Value : of : sales
	<u>Acres</u>	<u>Cwt.</u>	<u>1,000 cwt.</u>	<u>1,000 cwt.</u>	<u>\$ per cwt.</u>	<u>\$1,000</u>
<u>Alabama:</u>						
1962	12,400	155	1,922	1,888	3.00	5,664
1963	15,000	125	1,875	1,514	1.93	2,922
1964	14,000	130	1,755	1,727	4.27	7,374
1965	15,300	117	1,755	1,727	4.92	8,497
1966	17,000	155	2,573	1,992	1.58	3,147
1967	15,000	125	1,750	N.A.	N.A.	N.A.
<u>Arizona:</u>						
1962	8,500	240	2,040	1,973	2.86	5,643
1963	10,200	255	2,448	2,064	2.24	4,623
1964	8,200	240	1,968	1,913	3.87	7,403
1965	11,000	210	2,310	2,257	4.18	9,434
1966	13,100	230	2,875	2,468	2.31	5,701
1967	11,000	250	2,750	N.A.	N.A.	N.A.
<u>California:</u>						
1962	43,300	320	13,856	13,463	2.05	27,599
1963	46,200	330	15,246	14,861	1.64	24,372
1964	36,800	365	13,432	13,295	3.52	46,798
1965	54,400	315	17,136	16,962	4.66	79,043
1966	52,000	330	17,160	16,814	1.85	31,106
1967	49,800	295	14,691	N.A.	N.A.	N.A.
<u>Florida:</u>						
1962	23,300	142	3,301	3,276	3.19	10,453
1963	26,800	186	4,982	4,933	2.39	11,769
1964	25,600	158	3,996	3,955	3.50	13,856
1965	31,700	148	4,632	4,610	4.45	20,525
1966	33,500	145	4,714	4,689	3.23	15,145
1967	33,800	104	2,675	N.A.	N.A.	N.A.
<u>North Carolina:</u>						
1962	14,500	138	1,944	1,750	2.82	4,941
1963	12,800	146	1,812	1,652	1.71	2,821
1964	10,500	136	1,424	1,297	4.64	6,022
1965	12,200	137	1,632	1,512	6.13	9,267
1966	13,700	122	1,652	1,531	1.81	2,776
1967	12,300	144	1,776	N.A.	N.A.	N.A.
<u>Texas:</u>						
1962	6,800	93	634	565	3.65	2,050
1963	7,000	96	664	603	3.37	2,043
1964	6,500	95	608	556	3.79	2,086
1965	10,300	92	864	811	5.97	4,847
1966	13,300	98	991	937	4.20	3,775
1967	10,500	92	934	N.A.	N.A.	N.A.

N.A. - Not available.

Note: 1967 data are preliminary.

III. SPRING POTATO HIGHLIGHTS

The typical spring crop accounts for 10 percent of the U.S. annual potato crop (see Figure 1). Because of adverse weather, including a freeze and drought in Florida and cold weather in California, the 1967 total spring production ranked among the smaller crops. Production, at 25.4 million hundredweight, was 18 percent below the relatively large 1966 crop of 30.9 million, and was 8 percent less than the 1961-65 average of 27.4 million.

California is the major source of spring potato acreage and production (see Figure 2 and Figure 3). In 1967, California, with 49,800 acres, accounted for 35 percent of the total spring plantings. And because of high potato yields, the California crop of 14.7 million hundredweight accounted for 58 percent of the total spring production.

Florida is the major eastern source of spring potatoes. Substantial quantities also are shipped from Alabama, Arizona, North Carolina and Texas. In South Carolina, the spring potato industry has undergone a sharp contraction and the 1967 spring acreage was only one-tenth of the total acreage reported in the early 1950's.

From 1963 through 1967, the average year-to-year change in total spring potato production was 15 percent. The average change in price received by growers was 42 percent. Changes in spring production combined with changes in the spring supply of storage potatoes plus processed products cause spring potato prices to fluctuate widely. As a result, the total value of spring potato sales shows a wide range. For example, the 1965 crop value was a record \$135 million. This compares with the 1967 indicated value of \$58 million. Additional summary data for the spring crop are shown in Tables 3 through 6, beginning on page 6.

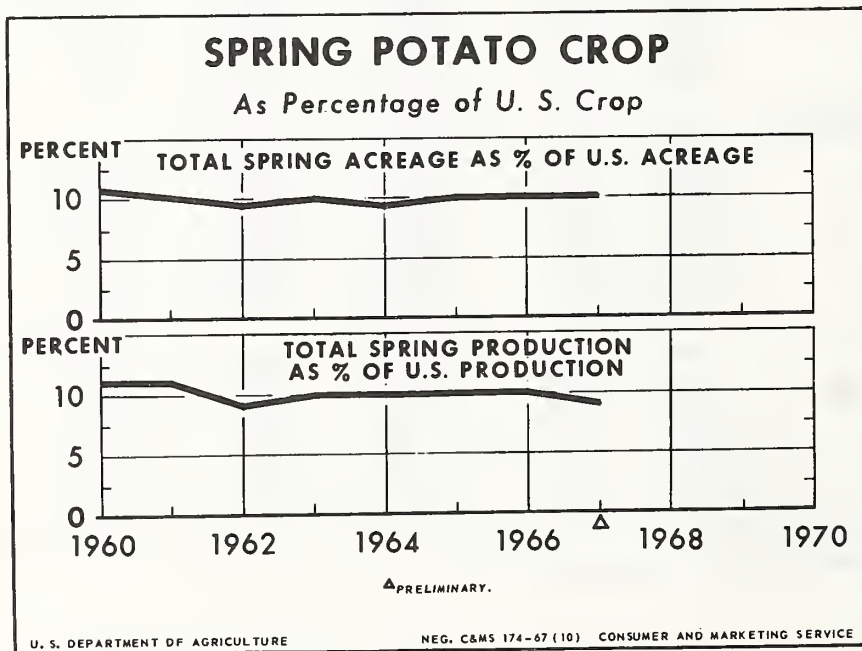


Figure 1

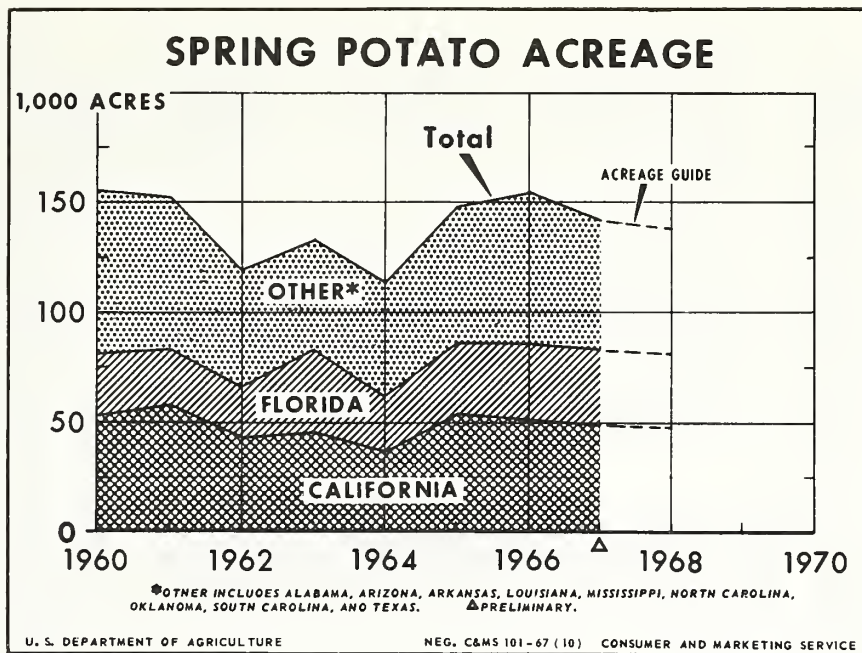


Figure 2

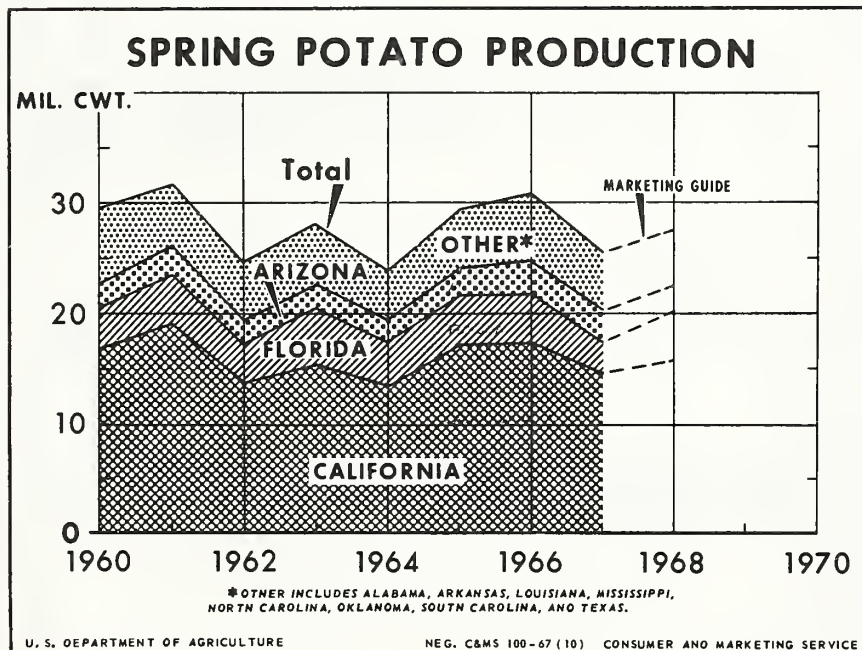


Figure 3

Table 3 .--Potatoes, Total Spring Crop: Selected data for 1951-67 crops

Crop year	: Acreage : : harvested :	: Yield : : per acre :	: Production : : Million cwt. :	Disposition		Price $\frac{1}{2}$:	Value of sales
				Used on : farms	Sold : Million cwt.		
	1,000 acres	Cwt.	Million cwt.	Million cwt.	Million cwt.	Dollars	\$ Million
1951	191.1	121	23.1	3.3	19.8	2.39	47.2
1952	199.2	128	25.5	2.8	22.7	3.98	90.3
1953	235.7	134	31.5	5.1	26.4	1.65	43.5
1954	188.8	137	25.9	2.8	23.1	2.62	60.6
1955	190.4	146	27.8	2.5	25.3	2.39	60.3
1956	176.6	146	25.9	2.0	23.9	4.11	98.2
1957	185.5	170	31.5	2.2	29.3	1.51	44.2
1958	184.4	154	28.4	2.2	26.2	1.98	52.0
1959	137.8	183	25.3	1.5	23.7	3.21	76.3
1960	154.7	191	29.5	1.3	28.2	2.64	74.6
1961	147.5	214	31.6	1.3	30.3	1.77	53.6
1962	122.7	200	24.6	1.1	23.5	2.48	58.3
1963	131.0	213	28.0	1.6	26.3	1.91	50.3
1964	111.6	214	23.9	.6	23.3	3.69	86.0
1965	145.1	201	29.2	.6	28.5	4.74	135.2
1966	148.9	207	30.9	1.7	29.2	2.17	63.4
1967*	132.4	192	25.4	N.A.	N.A.	N.A.	N.A.

N.A. - Not available.

* Preliminary.

$\frac{1}{2}$ Average price per cwt. received by farmers.

Table 4.--Potatoes: Average f.o.b. prices at California, Florida, Alabama, and North Carolina shipping points, selected weeks, 1966 and 1967

Week ending	California, Kern Co. 1/		Florida, Hastings 2/		Alabama, Baldwin 3/		North Carolina, 4/	
	1966	1967	1966	1967	1966	1967	1966	1967
	\$ per cwt.		\$ per cwt.		\$ per cwt.		\$ per cwt.	
April 15	----	----	----	----	----	----	----	----
April 22	----	----	5.05*	----	----	----	----	----
April 29	----	----	4.70	----	----	----	----	----
May 6	3.25	----	4.70	----	----	----	----	----
May 13	2.72	3.50	4.40	4.20	----	----	----	----
May 20	2.56	2.80	3.76	4.16	----	3.00	----	----
May 27	2.28	2.32	3.20	4.20	2.85	2.92	----	----
June 3	1.95	1.90	3.20	----	2.25	2.47	----	----
June 10	1.86	1.94	----	----	2.25	2.25	----	----
June 17	1.64	2.17	----	----	2.00	2.92	2.52	----
June 24	1.62	1.80	----	----	1.91	----	2.25	2.34
July 1	1.66	1.74	----	----	----	2.80	1.82	2.25
July 8	1.66	2.04	----	----	2.21	----	1.64	2.25
July 15	1.84	2.82	----	----	2.12	4.00	1.50	2.81
July 22	----	2.88	----	----	2.12	4.00	----	----
July 29	----	2.75	----	----	2.39	3.50	----	----

* Sales to processors, 85% or better U.S. No. 1 quality.

Note: Prices are for U.S. No. 1, Size A or better, and are weekly averages of the daily range.

1/ Long white (White Rose) variety.

2/ Round white (Sebago) variety, 2-50 lb. sacks.

3/ Round red varieties. Prices listed for July are for the Sand Mountain area.

4/ Round white (Pungo) variety.

Table 5.--Potatoes: Unloads in selected cities of shipments originating in California and Florida, selected months,* 1966 and 1967

City	: Unloads from	: California	: City	: Unloads from	: Florida
	: 1966	: 1967		: 1966	: 1967
	Carlot equivalents			Carlot equivalents	
Chicago	1,593	1,651	Atlanta	398	341
Cincinnati	140	162	Baltimore	166	80
Cleveland	505	470	Boston	22	4
Dallas	156	211	Buffalo	97	65
Denver	305	276	Chicago	422	345
Detroit	987	939	Cincinnati	157	112
Houston	593	535	Cleveland	276	258
Indianapolis	160	241	Columbia, S. C.	93	70
Kansas City, Mo.	208	167	Detroit	434	462
Los Angeles	4,261	3,989	Kansas City, Mo.	59	72
Memphis	49	41	Louisville	200	212
Milwaukee	323	291	Memphis	99	32
Minneapolis 1/	741	774	Milwaukee	63	55
New York 2/	1,475	1,275	Minneapolis 1/	55	19
Philadelphia	581	519	New York 2/	137	128
Pittsburgh	355	399	Philadelphia	360	168
Portland	727	754	Pittsburgh	128	124
St. Louis	184	279	Providence	37	55
San Francisco 3/	1,312	1,243	St. Louis	59	59
Seattle 4/	663	505	Washington, D. C.	122	69
Canada:			Canada:		
Montreal	194	95	Montreal	3	1
Ottawa	48	29	Ottawa	3	-
Toronto	466	285	Toronto	30	12
Vancouver	295	237	Vancouver	4	4
Winnipeg	162	123			
Subtotal	16,483	15,490	Subtotal	3,424	2,747
Other Cities	2,789	2,649	Other Cities	366	367
Total	19,272	18,139	Total	3,790	3,114

* Four months, April - July.

1/ Includes St. Paul.

2/ Includes Newark, New Jersey.

3/ Includes Oakland.

4/ Includes Tacoma.

IV. SUMMARIES FOR PRINCIPAL SPRING POTATO STATES

California

Total plantings of California spring potatoes were reduced moderately in 1967. Cold weather, including a light frost on March 30, held the crop back. Temperatures continued well below normal during April, which continued to delay maturity and "skin set". California yield was low in 1967 and total production, at 14.7 million hundredweight, was 16 percent below the relatively large 1966 crop (see Figure 4).

The crop was late with general harvest of round reds and round whites (Kennebecs) underway by early May, and Long Whites by mid-May. Less than one-fourth of the total volume shipped was recorded by May 31. In 1965, for example, almost one-third of the crop was marketed prior to June 1.

Shipments were heavy during June with volume at peak the third week in June. Approximately 72 percent of the total spring shipments consisted of Long whites for table market outlets. And 17 percent of the crop consisted of the Kennebec (round white) variety, most of which were sold to chippers. A small volume of round reds was marketed as were relatively nominal supplies of Norgolds and Russet Burbank.

California shipping point prices held in a moderate range during May, but were under pressure during June and July. The delay in harvest, and bunching in shipments kept prices in check. Growers' prices received for 1967 sales were indicated to average \$2.14 per hundredweight versus \$1.87 in 1966.

Total market requirement for tablestock potatoes during the spring of 1968 is likely to show little change compared with the spring of 1967. Demand for supplies for chipping is likely to be firm.

With normal timing in harvests in 1968 California growers can expect to market a higher percentage of their crop in the early spring, which would result in less bunching in shipments in the late spring. With an average yield in California in 1968, a crop adequate for usual outlets could be produced on a slightly smaller total acreage.

Arizona

Total potato acreage in Arizona in 1967 was substantially less than the record amount in 1966. Weather in Arizona was favorable and 1967 yields were high. The total production was moderately less than in 1966 (see Figure 5).

A small acreage was harvested in April, but movement was not active until early May, and the shipment-peak was about June 1. Total shipments during May were approximately 1,419 carlot equivalents, almost double the 888 reported in May 1966. June shipments, at 3,200 carlot equivalents, were slightly less than the like month of 1966. The bulk of the Arizona crop was sold to potato chip-pers.

The average price received by growers was relatively high during May but declined during June. The 1967 season average price was indicated at \$2.73

per hundredweight compared with \$2.28 in 1966.

In 1968, growers are recommended to reduce total acreage slightly. With average yield on the recommended acreage, the resulting production in 1968 would be 2.5 million hundredweight compared with last season's 2.8 million.

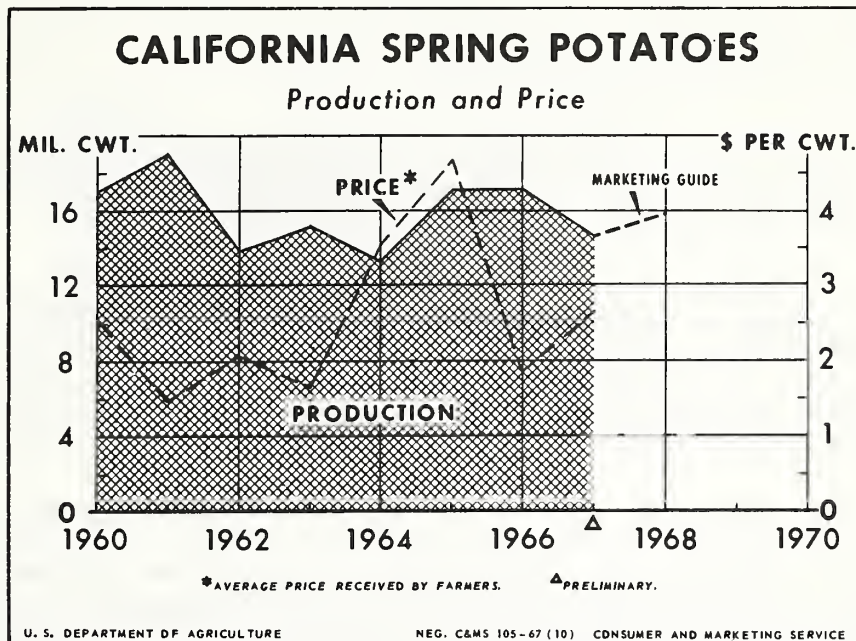


Figure 4

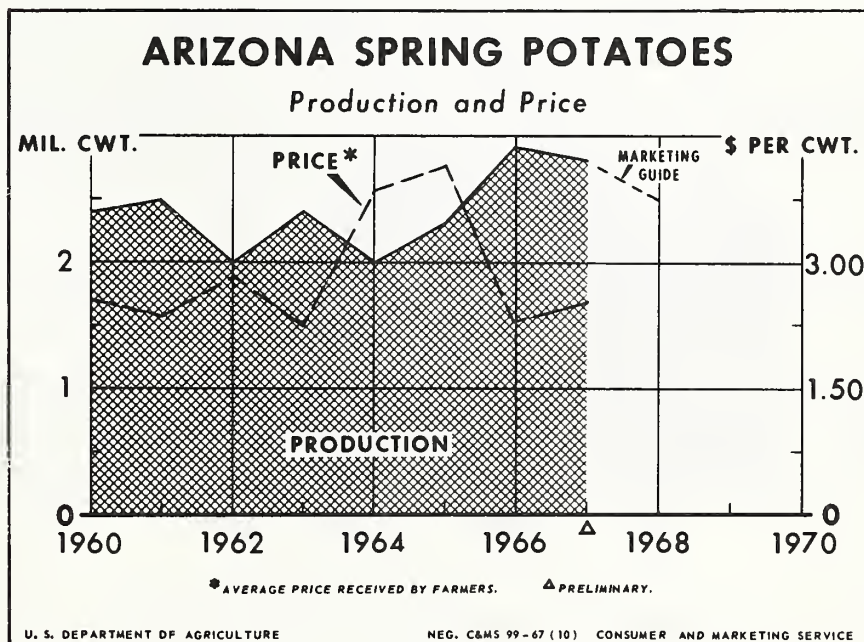


Figure 5

Florida

Potato plantings in the Hastings area of Florida were increased slightly in 1967. This increase followed successive sharp gains in acreage in 1965 and 1966. A February freeze plus a spring drought resulted in a low spring crop yield in the Hastings area. The 1967 average yield, at 105 hundredweight, compared with 145 in 1966, and the 1963 high of 190. The total spring production in 1967 was 2.7 million hundredweight, down 44 percent from the large 1966 crop of 4.8 million (see Figure 6).

Florida potato shipments were relatively light during April and peaked during May. During April, 1967 Florida shipments amounted to approximately 2,100 carlot equivalents versus 3,000 in April, 1966. Shipments during May were 4,300 carlot equivalents versus 5,350 in May, 1966.

The bulk of the crop was sold to potato chippers, and only a small quantity was shipped to table stock outlets. Bunching in shipments, both in Florida and competitive producing areas, resulted in relatively moderate prices in relation to available supplies. The 1967 average spring potato price received by Florida growers was estimated at \$3.40 per hundredweight compared with \$3.53 in 1966.

Market requirement for Florida spring potatoes for chipping in 1968 is expected to be slightly to moderately above the total use in 1967. And table stock outlets are expected to absorb a larger tonnage than was available in 1967. However, assuming normal acreage loss and average yields in the Hastings area, a sufficient production would be obtained from a total acreage 5 percent less than in 1967. In Florida "other" areas, the guide recommendation for 1968 is an equal acreage.

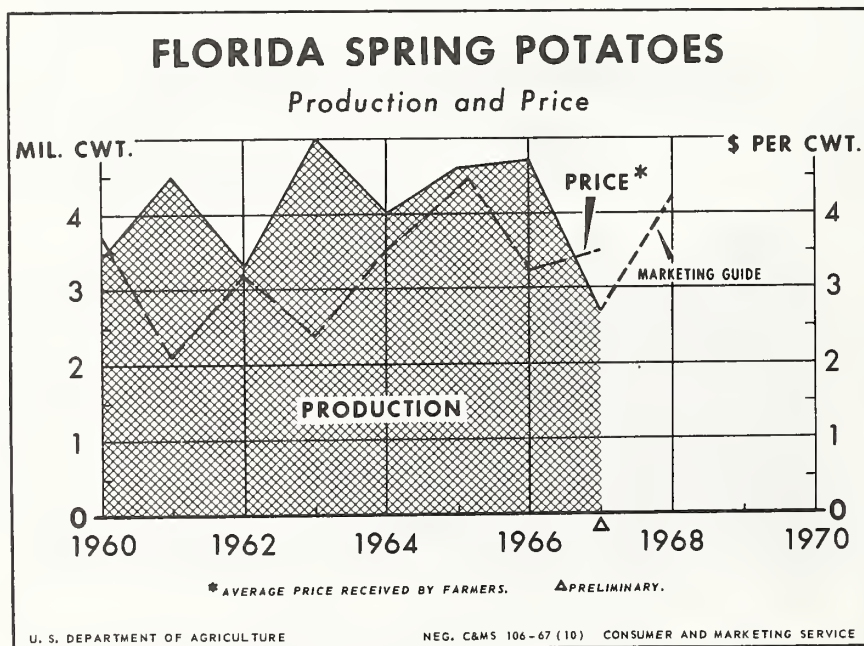


Figure 6

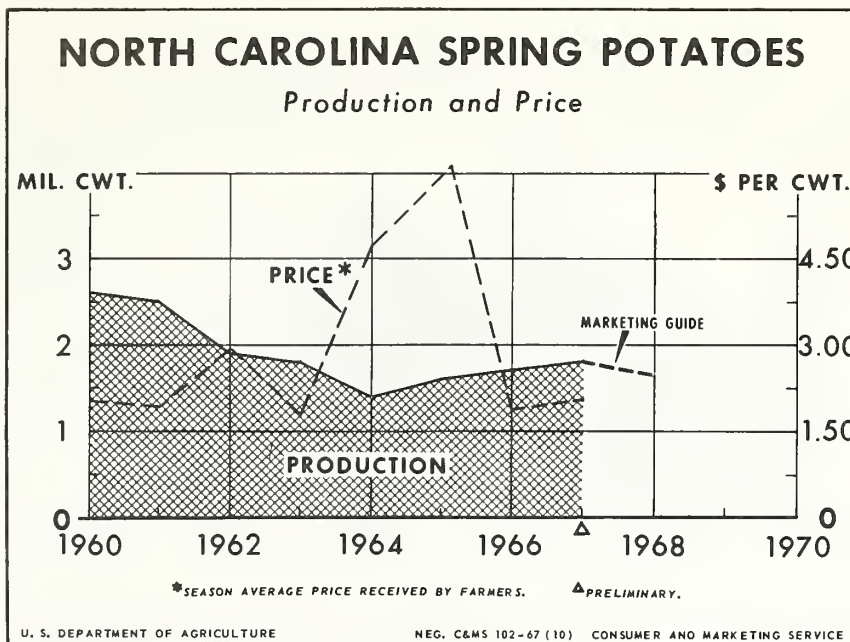


Figure 7

North Carolina

The total spring potato acreage in 1967 in North Carolina was moderately less than in 1966. April rainfall was below normal and crop development was retarded. But the crop responded favorably to early May rains, and 1967 yields were above average. Total production, at 1.8 million hundredweight, was well above the previous year and the largest since 1963 (see Figure 7).

The North Carolina spring harvest was active after mid-June. Shipments in 1967 amounted to approximately 2,900 carlot equivalents, about 1,100 more than in 1966. Shipping point prices for round whites ranged from \$2.25 to \$3.00 per hundredweight, and prices for round reds were mostly \$2.75 to \$3.00. The average price received by growers for 1967 sales was estimated to be \$2.42 per hundredweight versus \$1.83 in 1966.

The potato marketing order covering the northeastern counties in North Carolina and the Eastern Shore Virginia producing area was reactivated prior to the start of the 1967 harvest.

The 1968 guide recommends a one percent reduction in total acreage in the eight northeastern counties and no change in "other counties". With average yield on the guide acreages, the total crop in North Carolina in 1968 would be slightly less than in 1967.

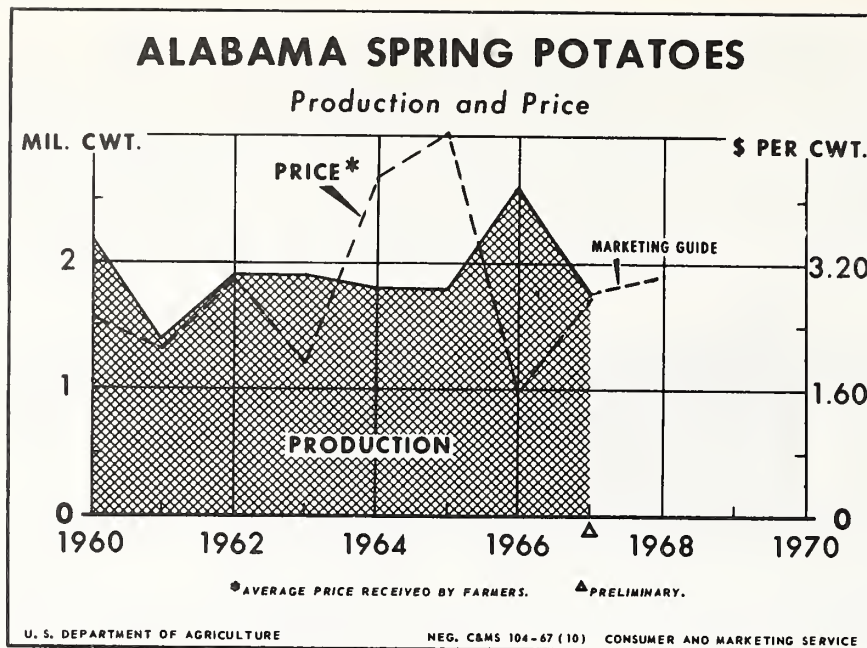


Figure 8

Alabama

Total spring potato plantings in the Baldwin area were reduced sharply in 1967 compared with the relatively high total in 1966. Lack of moisture during the early spring checked crop development and average yield was well below the prior year.

Total production, at 1,750,000 hundredweight, was one-third less than the exceptionally large crop in 1966. Harvest was active by mid-May, and peaked late in May. Shipments during May and June combined were approximately 3,200 carlot equivalents, about 700 less than in 1966. Competitive early June supplies from the Hastings area of Florida were heavier than usual and as a result, demand for Alabama supplies was somewhat below expectations.

At Alabama shipping points, round reds brought \$3.00 per hundredweight through late May, declined to a low of \$2.25 early in June, but recovered to \$3.00 by mid-June. Round white prices ranged from \$2.50 to \$4.00. The average price received by Alabama growers for 1967 spring marketings was estimated to be \$2.36 per hundredweight versus \$1.60 in 1966 (see Figure 8).

With normal harvest timing in 1968, markets would absorb a tonnage of Alabama spring potatoes larger than that produced this season. However, with average yields, an equal acreage in 1968 would provide an adequate crop.

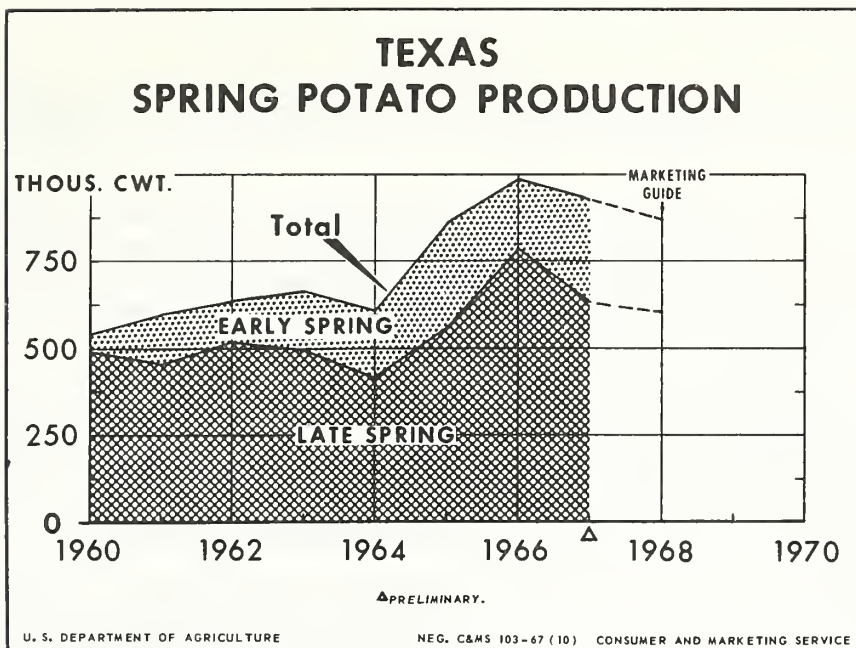


Figure 9

Texas

In both early and late spring potato producing areas in Texas, total acreage in 1967 was substantially less than the large plantings in the prior year. Nevertheless, in the Lower Rio Grande Valley, the major source of Texas early spring supplies, 1967 acreage for harvest was higher than in 1966 when heavy spring rains resulted in a high loss in acreage.

The early spring production in Texas in 1967 was relatively large (see Figure 9). The supply consisted of red varieties, mainly the LaSoda. Harvest started in mid-April and peaked late in the month. Prices received by Texas growers for both early and late spring supplies held in a moderate to high range.

The total late spring production, which is concentrated in the Pearsall, San Antonio and Munday areas, was substantially less than the relatively large 1966 crop. Harvest in the Pearsall area started in mid-April, and in the San Antonio area, about mid-May. Rains and hail during April caused heavy damage to the Munday crop, and shipments from this area were not available until about mid-June.

In 1968 the guide for Texas suggests slightly less acreage in both early and late spring producing areas. With normal abandonment and average yields on the recommended acreages, total production in 1968 would be 872,000 hundredweight.

V. U.S. POTATO TRENDS

Some of the trends in the potato industry considered in the preparation of the potato acreage marketing guides are described in the commentary and charts that follow.

The U.S. total potato acreage in both 1966 and 1967 was just under 1.5 million acres. As shown in Figure 10, total potato plantings during the last decade held within a relatively narrow range. The percentage of the total acreage originating in the fall crop States has trended upward, and in 1967 was 73 percent of the total.

Potato yields, which trended upward during the 1950's, have stabilized in the 1960's (see Figure 11). The U.S. 1967 average yield is indicated at 207 hundredweight per acre. This compares with 178 hundredweight in 1957 and 117 in 1947. A high yield in California has helped to boost the average spring crop yield to slightly above 200 hundredweight per acre.

The U.S. total potato production in 1967 is indicated at 302 million hundredweight, slightly less than the 1966 record of 307 million. Extremes in temperature and rainfall in the fall group of States resulted in a relatively small crop in 1964. Most of the U.S. potato crop originates on 14,646 farms, each growing 10 or more acres of potatoes, according to data compiled in the 1964 census of agriculture.

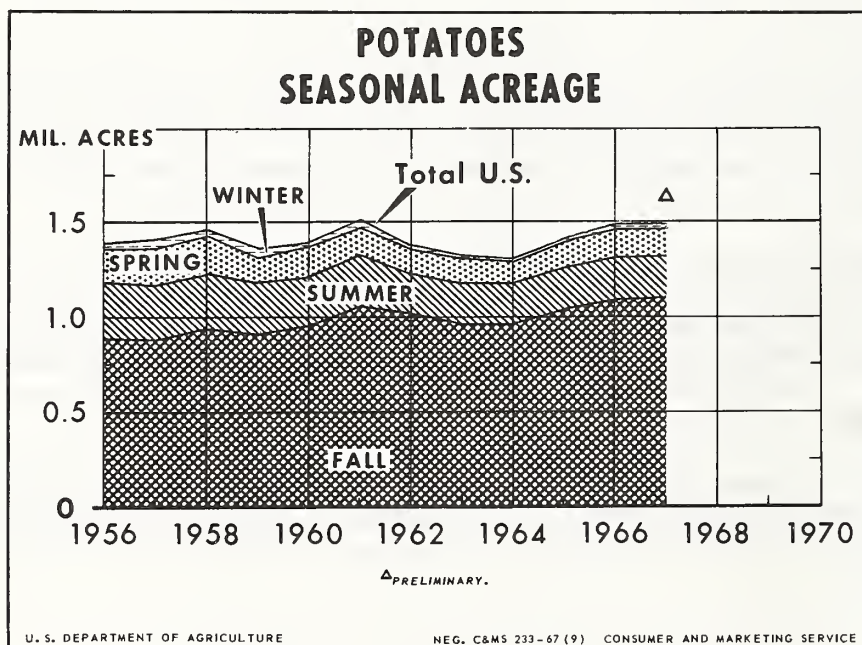


Figure 10

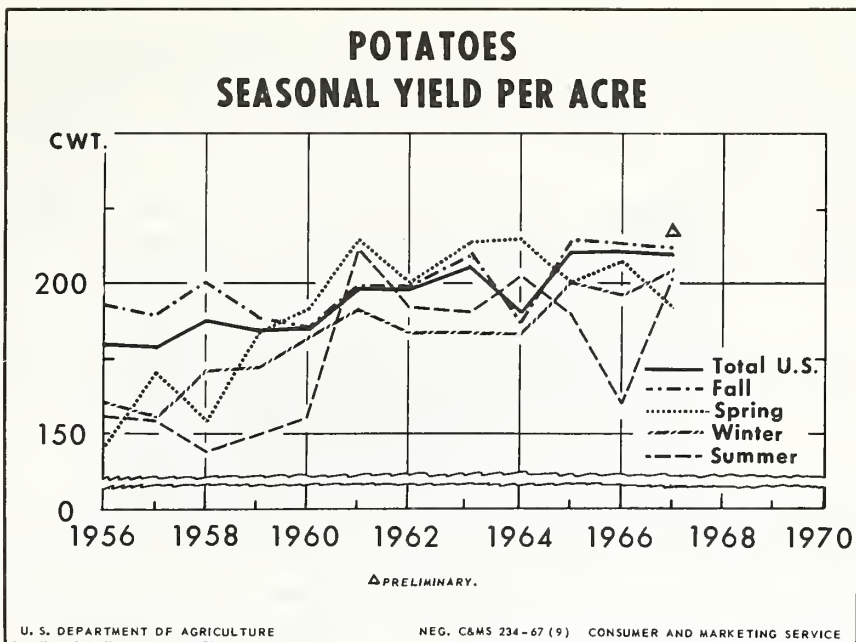


Figure 11

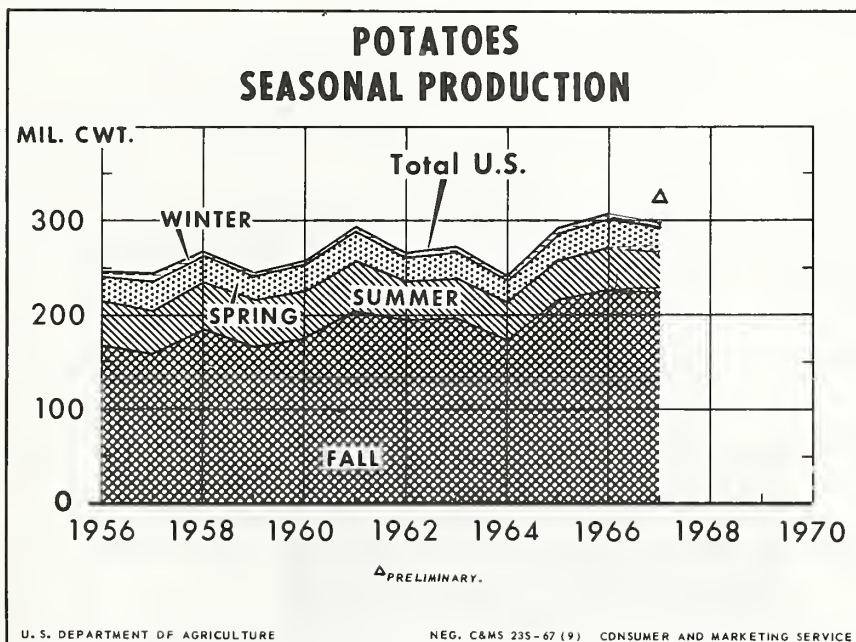


Figure 12

Consumers purchase about the same quantity of fresh potatoes from one year to the next. Their consumption changes little even though potato prices change substantially. However, consumer purchases of processed potatoes can be stimulated by varying price levels for these products. Thus, consumer demand for fresh potatoes is highly inelastic but that for processed products is elastic.

Reflecting the predominant inelastic demand, the "short" 1964 crop sold at a high price and value of sales was a record (see Figure 13). Value declined in 1956 and 1966 when the crops were large.

Food and seed markets utilize most of the annual crops (see Figure 14). These two outlets combined accounted for 83 percent of the total production in 1966, when the crop was large, and 91 percent in 1964 when the crop was relatively small.

The residual potato supplies are used for starch, flour and livestock feed. These supplies result because of either over-supply or lack of size or quality in non-marketable potatoes. The shrinkage, waste, and loss category include all other utilization of potatoes, including those left in the field, due either to bad weather and poor markets, and weight loss incident to storing.

Trends in food use both fresh and processed are shown in Figure 15 (see also Figure 16 and Figure 17). The national total use of food potatoes increased 30 percent from 1956 to 1965, or from 180 million hundredweight to 234 million hundredweight. Total food use declined slightly in 1966, to 232 million hundredweight.

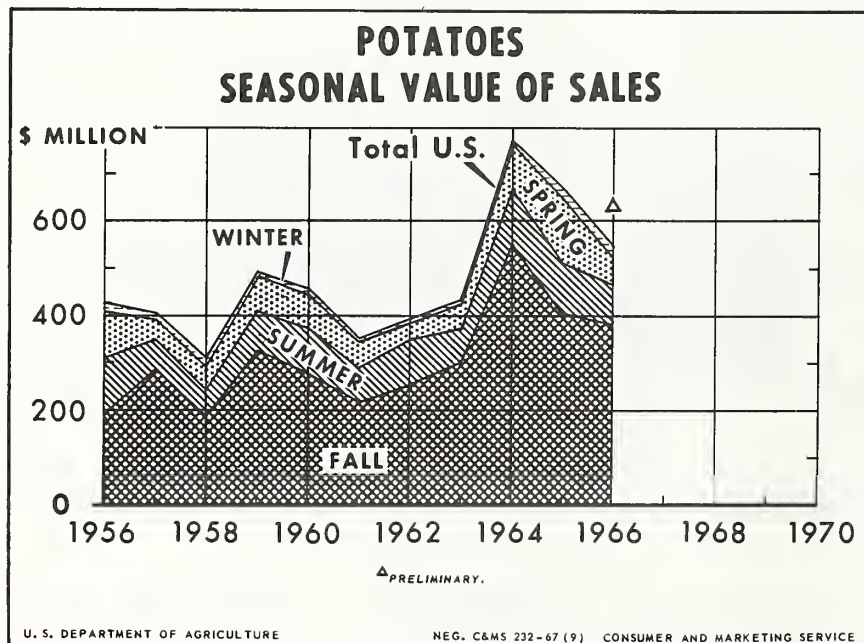


Figure 13

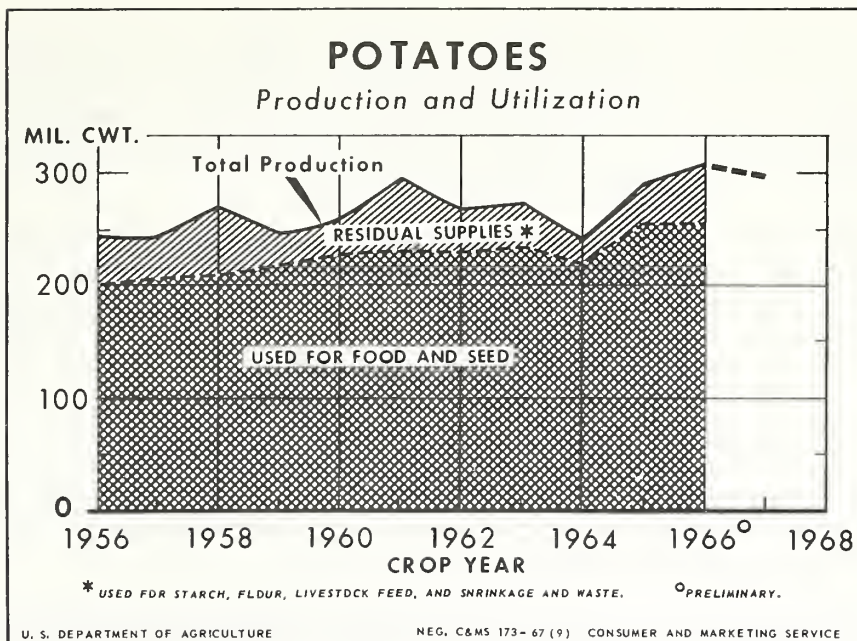


Figure 14

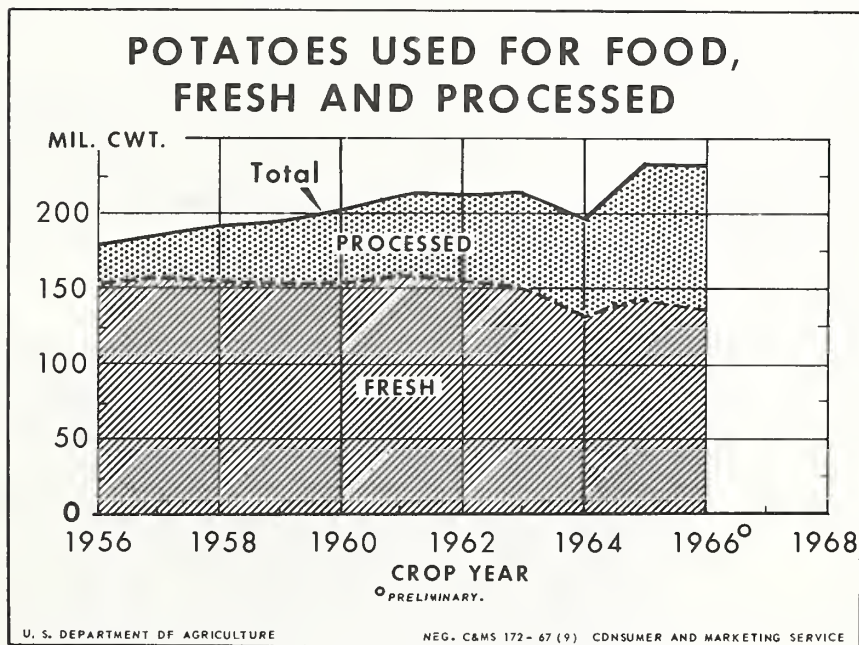


Figure 15

The growing market for processed potato products has paralleled the upward trend in consumer total disposable income. Also, the increased availability of processed potato products occurred at a time when consumers were (and are) receptive to an increasing use of prepared and semi-prepared foods in the home. Also consumers, by and large, indicate satisfaction with processed potatoes by their repeat purchases of most items.

The quantity of potatoes used for processed potato products doubled between 1956 and 1960, and doubled again between 1960 and 1966. As outlined in Figure 16 below, processed use as a percentage of total potatoes used for food had increased to 41 percent by 1966, and the fresh share had declined to 59 percent.

The quantity of potatoes used in frozen products more than doubled between 1962 and 1966 (see Figure 17, also Figure 21). Processors of frozen products used almost 40 million hundredweight from the 1966 crop compared with 18 million in 1962. One-sixth of the total potato food use in 1966 consisted of frozen products, largely frozen french fried.

The quantity of potatoes used for chips and shoestrings increased about 50 percent between 1961 and 1966. In a recent count, there were 327 potato chip plants in the United States.

A growing demand for dehydrated products resulted in 100 percent gain in 1965, compared with 1964, in the quantity of fresh potatoes used in dehydrated potato products. Dehydrators' demand for fresh potatoes was down slightly in 1966. Nevertheless, requirements of dehydrators are likely to trend upward.

The inverse trends in the use of fresh and processed potatoes have been about offsetting. And total per capita use of potatoes has stabilized. During the past 5 years, per capita use averaged about 110 pounds (see Figure 18). During the next several years, the total per capita use of potatoes is expected to show little change. Competition from a great variety of other foods will continue to limit the overall market for food potatoes.

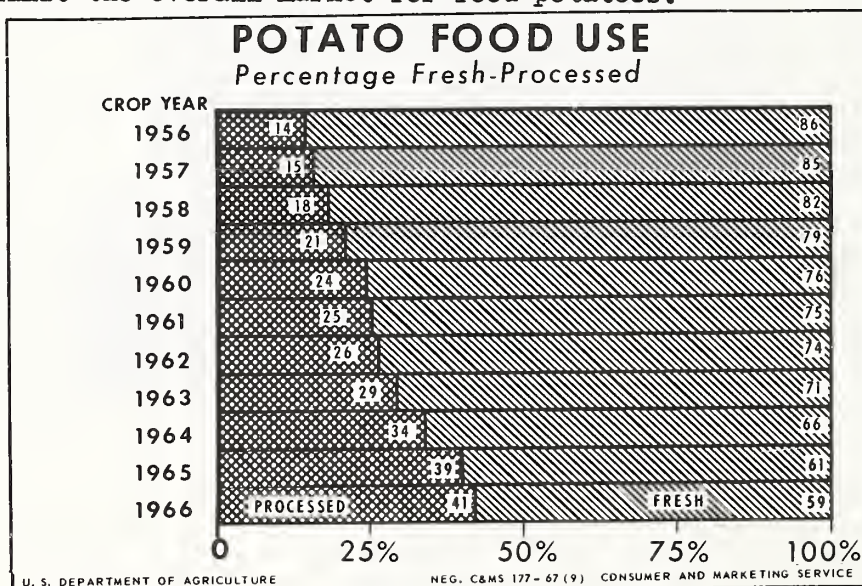


Figure 16

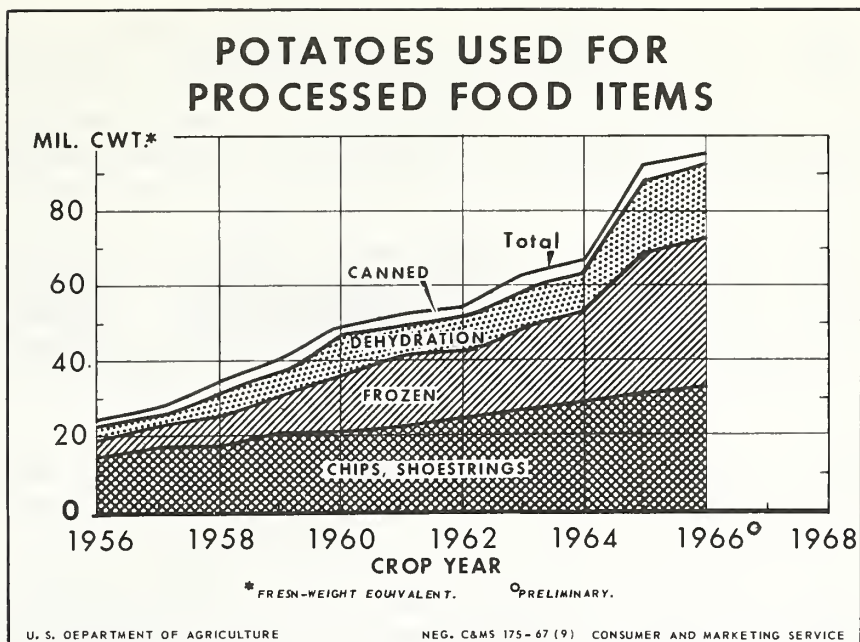


Figure 17

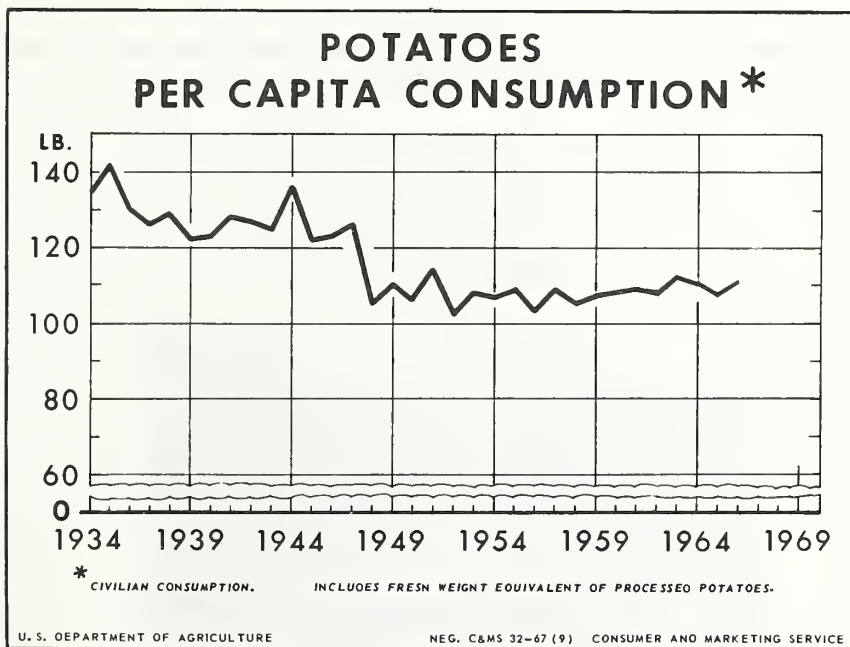


Figure 18

The national average seeding rate for potatoes is about 16 hundredweight per acre. However, the seeding rate varies greatly among the producing areas. To plant the 1967 crop, the total seed used from the 1966 crop was 24.3 million hundredweight, the highest seed disappearance in a decade (see Figure 19 below). Total seed requirement is expected to show a slight uptrend because the average seeding rate is likely to increase as is the total acreage planted.

U.S. fresh potato exports exceeded imports in 7 of 11 recent quota years (see Figure 20). Most of this trade takes place with Canada. Domestic growers use substantial quantities of Canadian seed potatoes. During the 1962-66 quota years, U.S. potato (fresh) exports averaged 2.5 million hundredweight, and imports, 2.0 million. The net export balance was approximately 500,000 hundredweight.

In addition to fresh exports, U.S. exports of dehydrated potatoes during 1966 amounted to 13.8 million pounds. This compared with 9.3 million pounds in 1965.

Cold storage holdings of frozen french fried potatoes usually peak in the late spring (see Figure 21). Holdings were a record 508 million pounds on April 30, 1967. This was 8 percent more than in the prior record in April, 1966. Frozen potato holdings decline during the summer months because processors of frozen products suspend operations when nearby supplies of fresh potatoes are not available.

Total output of frozen potato products in 1966 was 1.46 billion pounds, according to the National Association of Frozen Food Packers. This included 1.28 billion pounds of frozen french fried and .18 billion pounds of other frozen potato products.

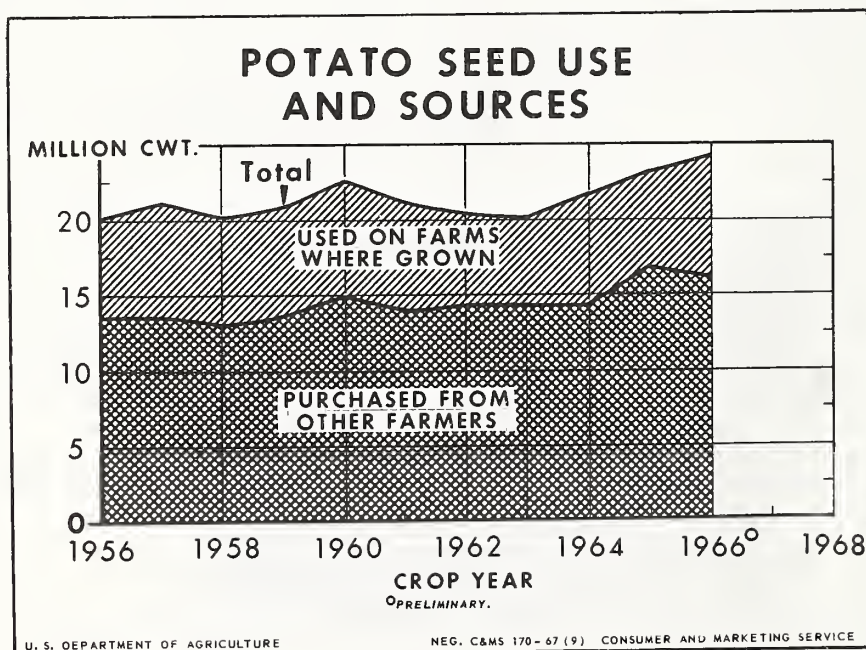


Figure 19

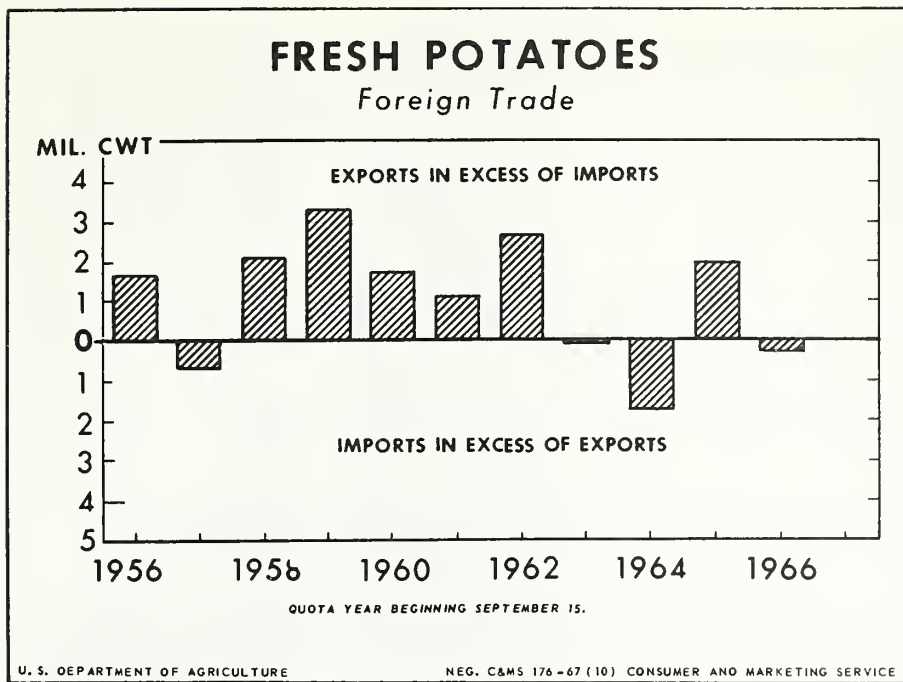


Figure 20

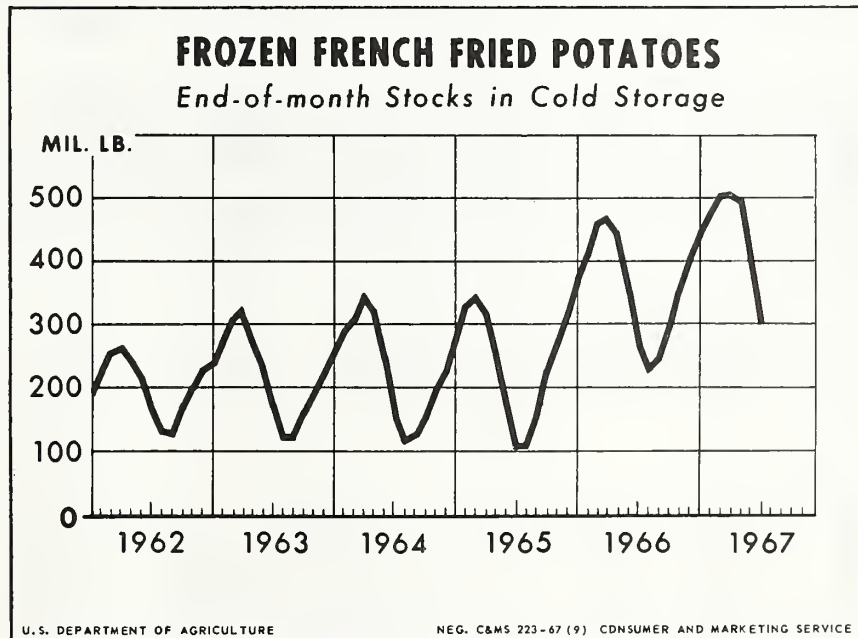


Figure 21

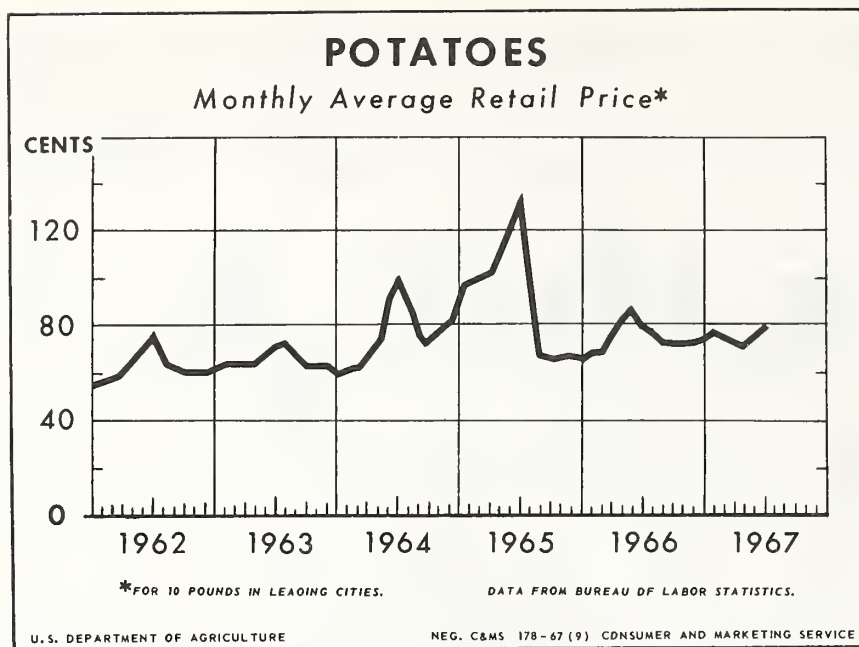


Figure 22

Retail prices for potatoes (see Figure 22) have ranged between 7 and 8 cents per pound during 1967. Following a short storage crop in 1964-65, and dry weather that held down 1965 new crop production, an acute potato supply gap developed in June and early July, 1965. And in July 1965, the average retail price increased to a 13-year high of 13.5 cents per pound.

Potatoes are a good "buy", particularly when potato retail prices are adjusted to incorporate the upward trend in net disposable income of consumers. The farmers' share of the retail cost of potatoes during July-September, 1967 was estimated at 30 percent. The farm-retail spread of 70 percent included the marketing bill for transporting, wholesaling, retailing, plus intermingled handling expenses.

Table 7.--Potatoes: Utilization of 1956-66 Crops

Utilization Items	Crop year										
	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
	----- 1,000 cwt. -----										
Fresh Food:											
Tablestock	146,048	148,408	148,868	148,497	149,002	153,594	149,710	146,981	129,513	139,542	133,880
On Farm	9,312	8,176	7,279	5,913	5,310	4,773	3,955	3,400	2,776	2,597	2,378
Subtotal	153,360	156,584	156,147	154,410	154,312	158,367	153,665	150,381	132,289	142,139	136,258
Processed Food:											
Chips, etc.	14,566	17,356	17,063	20,085	21,018	22,642	24,086	26,693	28,783	31,292	32,729
Dehydration	3,223	3,776	5,917	7,656	10,104	8,518	9,280	9,909	10,801	20,166	19,811
Frozen	4,675	4,827	8,263	9,918	15,042	18,138	18,400	22,425	23,654	37,302	39,631
Canned	2,283	2,606	2,864	2,447	2,809	2,775	2,926	3,240	3,201	3,348	3,386
Subtotal	24,747	28,565	34,107	40,106	48,973	52,073	54,692	62,267	66,439	92,108	95,557
(1) Total Food	180,107	185,149	190,254	194,516	203,285	210,440	208,357	212,648	198,728	234,247	231,815
(2) Starch, Flour	18,336	12,691	18,387	7,718	10,177	20,493	11,285	11,737	2,990	8,081	11,001
(3) Feed sales	7,675	8,950	18,918	6,607	5,348	20,340	7,913	10,103	5,587	5,797	8,440
Feed on farm	4,148	2,718	3,916	3,104	2,940	4,192	3,340	3,087	1,871	2,179	2,930
Total	11,823	11,668	22,834	9,711	8,288	24,532	11,253	13,190	7,458	7,976	11,370
(4) Seed sales	13,435	13,641	13,079	13,583	14,823	13,823	14,333	14,159	14,203	16,992	16,144
Seed on farm	6,752	7,577	7,086	7,093	7,560	7,191	5,955	5,911	7,363	6,510	8,118
Total	20,187	21,218	20,165	20,676	22,383	21,014	20,288	20,070	21,566	23,502	24,262
(5) Shrinkage, Loss	15,339	11,796	15,257	12,651	12,971	16,687	13,627	13,513	10,334	17,433	28,454
Total Production	245,792	242,522	266,897	245,272	257,104	293,166	264,810	271,158	241,076	291,169	306,902

Source: Annual reports of the Statistical Reporting Service, United States Department of Agriculture.

U.S. DEPARTMENT OF AGRICULTURE
Consumer and Marketing Service
Washington, D.C. 20250

Postage and Fees Paid
U.S. Department of Agriculture

- - -

Official Business